



**The Secretary for Health Services**  
COMMONWEALTH OF KENTUCKY  
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(502) 564-7042

PAUL E. PATTON  
GOVERNOR

MARCIA R. MORGAN  
SECRETARY

August 6, 2003

**Emergency Ambulance Provider Letter A-39**

Dear Provider:

This letter is to clarify Medicaid policy effecting payment methodology for disposable supplies billed under the Emergency Ambulance Transportation Program (ALS & BLS).

A random audit of Medicaid MMIS records specific to the disposable supplies billable codes A0398 and A0382 was recently performed. The subsequent resulting data indicated a wide range of submitted claims requesting reimbursement under said codes. Upon further investigation of randomly selected providers it was determined that many items not eligible for reimbursement are being billed under these codes and those items which are eligible for reimbursement are billed at an extremely variant range of rates.

Disposable supplies are considered to be one time use supplies, those which are subsequently discarded after use. Disposable supplies are not monitor usage, night rates, long boards or the use of specific equipment required to be "on board" by the state licensure board to be certified as one type of an ambulance or another. Disposable supplies are items such as latex gloves, bandages and tape to name but a few.

Medicaid policy 907 KAR 1:061 Section 2 # 2 item h states that " the cost of other itemized supplies for ALS or BLS emergency transportation services shall be the actual cost reflected on the transportation provider's invoice, which shall be maintained in the providers file and shall be produced upon request by the department." The billing of items not deemed to be disposable or the billing of

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EQUAL OPPORTUNITY EMPLOYER M/F/D

August 6, 2003  
Page Two

disposable supplies above the provider's actual invoice rate will result in actions taken to recoup the overpayment.

If additional information is needed, please contact Duane Dringenburg of the Physicians and Specialty Services Division at 502-564-5969.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Morgan', with a stylized flourish at the end.

Marcia R. Morgan  
Secretary

MRM/sm

CC: Mike Robinson  
Duane Dringenburg